

RISK MANAGEMENT

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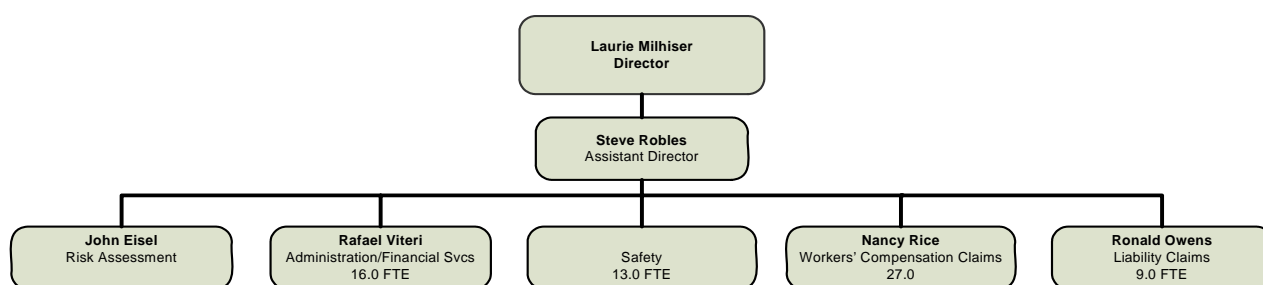
MISSION STATEMENT

Risk Management seeks to minimize the frequency and severity of financial loss to the county through a coordinated Enterprise Risk Management Program which includes identification and assessment of exposures that can result in loss, effective risk reduction and loss prevention programs for identified risks, aggressive claims management, and fiscally responsible risk financing and recovery.

STRATEGIC GOALS

1. Minimize risk management costs and stabilize premiums charged to county departments.
2. Integrate Enterprise Risk Management format into county operations.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2006-07				
	Appropriation	Revenue	Revenue Over/ (Under) Exp	Staffing
Operations	6,320,807	6,320,807	-	71.0
Insurance Programs	60,686,873	97,127,583	36,440,710	-
TOTAL	67,007,680	103,448,390	36,440,710	71.0

Detailed information for each budget unit is provided, along with a description of the services provided, budget unit history, and applicable performance measures.

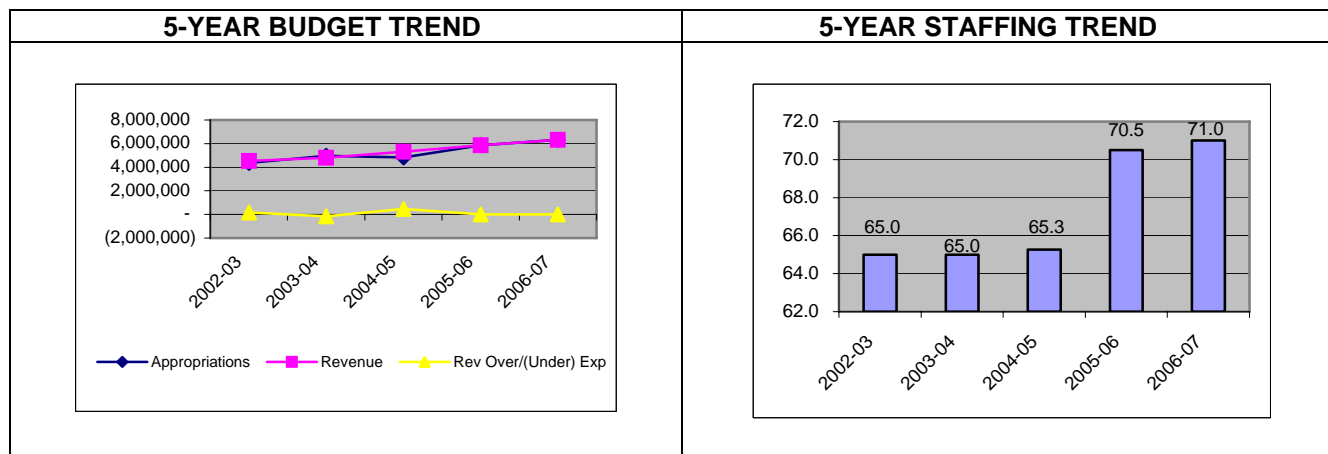


Operations

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All program costs are paid from insurance sub funds, and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas for the cost to pay losses and fund future liabilities for the self-insured programs, and the cost of insurance for the insured programs.

BUDGET HISTORY

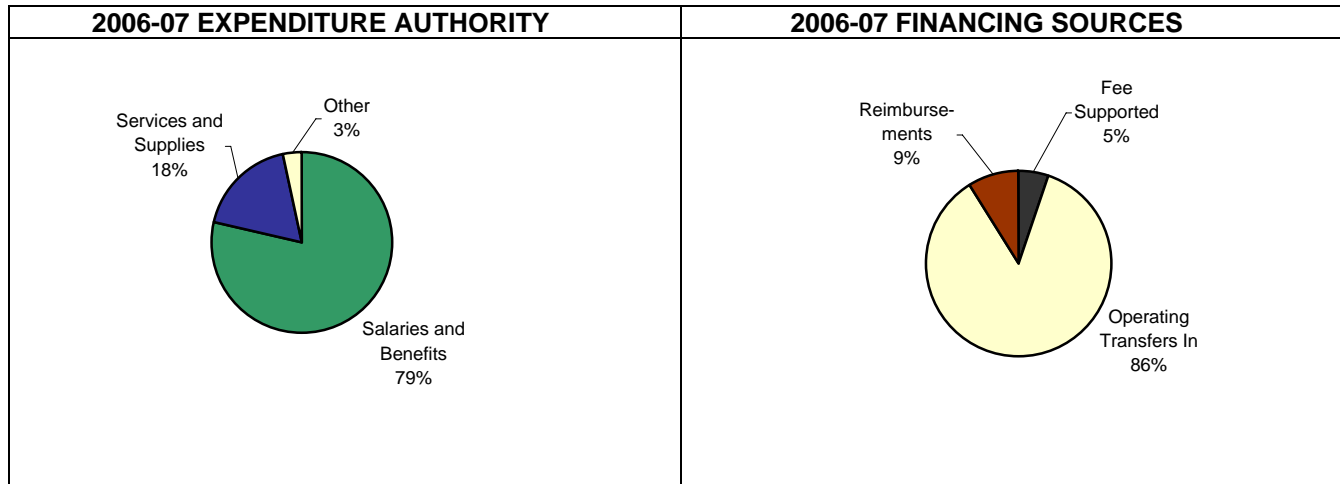


PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	4,365,635	4,958,155	4,832,121	5,869,482	5,562,210
Departmental Revenue	4,532,581	4,810,196	5,309,472	5,869,482	6,145,263
Revenue Over/(Under) Exp	166,946	(147,959)	477,351	-	583,053
Budgeted Staffing				71.5	
Fixed Assets	-	-	-	-	-
Unrestricted Net Assets Available at Year End	127,308	(99,381)	169,792		757,184



ANALYSIS OF PROPOSED BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Risk Management
FUND: Risk Management - Operations

BUDGET UNIT: IBP RMG
FUNCTION: General
ACTIVITY: Other General

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	3,625,938	3,839,085	4,020,374	4,832,800	5,137,617	5,458,150	320,533
Services and Supplies	1,040,459	856,019	1,164,104	1,076,842	1,079,297	1,187,047	107,750
Central Computer	39,834	36,273	45,531	57,699	53,360	62,597	9,237
Other Charges	153	-	-	-	-	-	-
Transfers	118,500	143,469	161,389	169,891	169,891	32,181	(137,710)
Total Exp Authority	4,824,884	4,874,846	5,391,398	6,137,232	6,440,165	6,739,975	299,810
Reimbursements	(459,249)	(515,265)	(559,277)	(575,022)	(575,022)	(619,168)	(44,146)
Total Appropriation	4,365,635	4,359,581	4,832,121	5,562,210	5,865,143	6,120,807	255,664
Operating Transfers Out	-	598,574	-	-	-	200,000	200,000
Total Requirements	4,365,635	4,958,155	4,832,121	5,562,210	5,865,143	6,320,807	455,664
Departmental Revenue							
Use Of Money and Prop	64,254	49,183	58,235	93,950	55,000	95,000	40,000
State, Fed or Gov't Aid	-	1,925	721	-	-	-	-
Current Services	200,418	439,869	366,041	438,870	197,700	375,000	177,300
Other Revenue	(171)	-	-	-	-	-	-
Total Revenue	264,501	490,977	424,997	532,820	252,700	470,000	217,300
Operating Transfers In	4,268,080	4,319,219	4,884,475	5,612,443	5,612,443	5,850,807	238,364
Total Financing Sources	4,532,581	4,810,196	5,309,472	6,145,263	5,865,143	6,320,807	455,664
Rev Over/(Under) Exp	166,946	(147,959)	477,351	583,053	-	-	-
Budgeted Staffing					70.5	71.0	0.5
Fixed Assets							
Equipment	-	-	-	-	-	10,000	10,000
Total Fixed Assets	-	-	-	-	-	10,000	10,000

In 2006-07, the department will incur increased costs from negotiated labor agreements, retirement, worker's compensation, central computer and inflationary services and supplies purchases; and will incur decreased costs in risk management liabilities. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to Board approved mid-year adjustments, and department recommendations.



The increase in salaries and benefits includes required step increases, cost of living adjustments and equity increases. It also includes the addition of 1.0 Assistant Director of Risk Management, which was approved by the Board on July 19, 2005. The decrease of 0.5 FTE corresponds with the elimination of the dual-filled Supervising Automated Systems Analyst I, due to the retirement of the previous incumbent.

Services and supplies shows an overall increase of \$107,750 based primarily on the increased COWCAP allocation and payment to the Auditor/Controller-Recorder for charges related to development of the year end financial statements.

Revenues will increase to reflect the increased costs of program administration resulting from additional staff and negotiated increases to salaries and benefits. These revenues come from the various self-insurance sub funds that are financed through Board approved premiums paid by departments, Board-Governed Special Districts, and County Service Areas.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Percentage of verified compliance with contractual insurance requirements.		80%
Reduce the cost per claim for Workers' Compensation losses to less than or equal to.	\$16,164	\$15,174
Reduce the cost per claim for General Liability losses to less than or equal to.	\$23,149	\$13,422

